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1. INTRODUCTION

This Section provides an overview of the *Project EASI/ED (Easy Access for Students and Institutions/US Department of Education) Best Practices Study on Integrated Call Centers*. It provides background on the project, explains the purpose of the study, and defines "best practices." It also explains the approach used to create the study and outlines the organization of the document.

1.1 Project EASI Overview

Project EASI is an effort by members of the postsecondary education community to define and implement a customer-focused "system" to support postsecondary education. The Project EASI vision encompasses the entire postsecondary education community and its current customers. This includes prospective students, families, students, borrowers, schools, lenders, secondary markets, servicers, guarantors, state agencies, ED, professional organizations, and external organizations that may wish to share appropriate information (e.g., employers, financial counselors). Project EASI/ED encompasses ED's internal areas of responsibility as they relate to the overall vision, as well as ED's interactions with the postsecondary education community.

1.2 Document Purpose

The purpose of this document is to highlight integrated call center best practices. Integrated call centers are customer service operations that have been effectively linked within the organization such that they are able to share the organization's knowledge with the customer and communicate the customer's needs to the organization. "Best practices" are processes, technologies, or organizational structures that can lead to superior performance.

These best practices should help guide ED on its transition from its current call center environment to the customer service environment envisioned in Project EASI/ED, including an interface with all of EASI. Currently, most calls are requests for general information or inquiries on the status of a pending application. Occasionally, ED call centers receive calls generated by media attention on new or proposed financial programs or policies. A smaller volume of inquiries are calls from schools and lending institutions requiring technical assistance. With Project EASI/ED, ED will operate "contact" centers that will have access to a wider base of information and that will be accessible through multiple channels such as E-mail and Web-based communication. As capabilities are added, inquiries can be expected to shift from informational requests to more sophisticated requests for assistance or transactions. Best practices will help ED focus its efforts to improve customer service as new opportunities are made available through Project EASI/ED.

This best practices study is based upon the lessons learned by organizations that have built or that operate integrated call centers and upon published research. The study covers the following main themes.

- What do call centers do?
- How do they do it?
- How do they know if they are measuring up to expectations?
- How can technology help?

1.3 Approach

To develop the *Project EASI/ED Best Practices Study on Integrated Call Centers*, the team followed a structured, four-step approach to study other organizations and to identify best practices.

1. Perform secondary research
2. Identify subject matter experts
3. Conduct interviews with subject matter experts
4. Analyze findings and select best practices

These steps are detailed below.

1. Perform secondary research

The team gathered articles and other documents related to integrated call centers in order to identify best practices. The articles and documents came primarily from the major secondary sources listed below.

1. KnowledgeView, PricewaterhouseCoopers's (PwC's) proprietary research service
2. Gartner Group Research Database
3. Forrester Research Database
4. The Tower Group Research Database
5. The Meta Group Research Database
6. Call Center Magazine

2. Identify subject matter experts

After reviewing secondary sources, the team identified subject matter experts within PwC based upon their depth of experience proven by their involvement in successful implementations and operations of integrated call centers.

The following subject matter experts were chosen for interviews.

1. Stanley Brown, a PricewaterhouseCoopers partner and Partner-in-Charge of PwC's Center of Excellence in Customer Satisfaction. The Center specializes in helping clients achieve enhanced revenue and improved profitability through a focus on processes that touch the customer. Mr. Brown has authored or co-authored eight publications, which include the recently released *Breakthrough Customer Service* and *What Customers Value Most*. In his over twenty years as both management consultant and corporate executive, Mr. Brown has been associated with, and consultant to, multi-national and domestic organizations in a broad range of industry segments.
2. Robert Pastorini, a PricewaterhouseCoopers principal consultant. Mr. Pastorini's broad business process improvement and customer care best practices skills are built upon his ten years of experience as Director of Customer Care and Marketing with Allstate Insurance and extensive on-site benchmarking at best practices organizations including International Business Machines, GE, American Transtech, USAA, Westinghouse, Otis, SNET, Konica, ITT Hartford, Novus Financial, American Express, American Automobile Club, and Sitel. Mr. Pastorini is an American Society for Quality and Society of Consumer Affairs Professionals member and serves on the Tele-Watch Board of Governors of the American Tele-Marketing Association.

In addition, the team interviewed William Ryan and Dena Bates from Student Financial Assistance (SFA) within the Office of Postsecondary Education (OPE) to identify ED's current call center functions and future call center needs.

1. William Ryan, a Director of Student Financial Assistance Program's (SFAP) Training and Program Information Division. His Division is responsible for the contractor-operated Federal Student Aid Information Center (FSAIC), which operates ED's toll-free student aid information line (1-800-4 FED AID) and provides a variety of other customer-focused information services. He is also a member of the ED-wide Customer Service Steering Group.
2. Dena Bates, a Contracting Officer's Technical

Representative (COTR) for the Public Inquiry Contract. In this capacity, Ms. Bates oversees the activities of the contractor-operated Federal Student Aid Information Center. The Center receives approximately five million calls a year through a combination of toll-free and commercial lines, from students and parents inquiring about the Department's Student Financial Assistance Programs. Ms. Bates has six years experience in managing a large call center.

3. Conduct interviews with subject matter experts

During each interview, the team followed a detailed questionnaire to draw upon the subject matter expert’s experience on integrated call center best practices. (See Appendix B for questionnaires.) Different questionnaires were used to gather general call center information and to review ED’s call center operations.

4. Analyze findings and select best practices

Upon completing the secondary research and interviews, the team analyzed the most apt materials and selected key findings.

1.4 Document Organization

The remainder of the *Project EASI/ED Best Practices Study on Implementing Major Change* comprises the sections listed below.

- **Section 2: Overview of Integrated Call Centers.** Introduces the concept of integrated call centers by explaining the different types of call centers, what they do, and presenting some current call center trends.
- **Section 3: Key Findings.** Describes key facets of an integrated call center and illustrates each facet with an example. This section also specifies success factors, and highlights the implications for ED.
- **Section 4: Summary.** Summarizes the key findings that describe integrated call center best practices and the implications for ED.
- **Appendix A: Acronyms.** Definition of acronyms used in the document.
- **Appendix B: Interview Scripts.** Interview scripts used to conduct subject matter expert interviews.
- **Appendix C: Interviews.** Subject matter expert interviews.
- **Appendix D: Sample Best Practices Call Centers Guidelines.** Guiding principles for implementing a successful call center.
- **Appendix E: Bibliography.** Suggested reading and references.

2. OVERVIEW OF INTEGRATED CALL CENTERS

This Section introduces integrated call centers. Subsection 2.1 gives an overview of the major types of call centers. Subsection 2.2 highlights some current call center trends.

In today's dynamic and competitive business environment, organizations are finding it increasingly difficult to adapt to the changes necessary to remain a key player. As a result, many organizations are focusing their finite resources on reaching their customers more efficiently.

By employing the rapidly increasing power of computer and telephony technology, many organizations have found the most efficient means to reach their customers is through a call center. A call center is a physical or virtual entity where calls are placed and taken, using a combination of people and technology. The end result is an information exchange that adds value to the organization's products and services in the eyes of the customer.

2.1 Call Center Types

Organizations often have different objectives when interacting with their customers. Accordingly, call centers vary in type and function to meet these objectives. Generally, call centers can be categorized by a few functional criteria: inbound vs. outbound, service vs. sales, external customers vs. internal customers. Some call centers span across functional criteria, for example having inbound customer service and inbound sales in the same center.

Inbound vs. Outbound

Inbound call centers receive their calls from their customers. Outbound call centers interact with their customers, or potential customers, by calling them. The distinction between the two is straightforward but significant.

Best practices inbound call centers are the "front door" of the enterprise, the place where information and assistance are provided, sales are made, transactions are completed, customer relationships are managed and marketplace intelligence is captured.

Inbound call centers vary in size from small groups of people answering questions, providing general information and passing along messages, to large, technologically enabled operations staffed by several hundred highly skilled employees distributed at multiple locations.

Outbound call centers, like inbound call centers, can vary from small groups of people soliciting donations or selling products, to large, technologically enabled operations staffed by hundreds of proactive individuals conducting nationwide polls or satisfaction surveys.

Inbound call centers differ significantly, however, from outbound call centers in that their workload is driven by an external environment making them difficult to staff effectively. Who calls, what they call about, and when they call changes constantly. Management must continually track call arrival patterns to forecast and schedule staffing. Management must also track the content and mix of callers and call events to plan training and resolution capabilities.

Outbound call centers have much more control over their workload. They are able to schedule the type and amount of calls that they place and thus plan operations much more easily.

Service vs. Sales

Service call centers and sales call centers traditionally are quite distinct. Customer service representatives (CSRs) at service call centers must field calls, identify issues, and resolve issues, possibly under trying circumstances. The ability to manage difficult customers while meeting their needs requires specific skills and training.

Sales call centers tend to require different staff skills. Sales representatives at sales call centers often initiate calls, identify needs, and provide solutions. Sales representatives tend to proactively engage customers in order to learn more about them and to maintain their interest.

The distinction between service call centers and sales call centers begins to blur, however, when organizations view all service calls as sales calls. Organizations like GE believe that every call from a customer has the potential to create or destroy future revenue.

These organizations leverage inbound customer service calls as an “opportunities pipeline” that provides an avenue for revenue growth. Every inbound call represents an opportunity to learn more about current customer needs, preferences, expectations and tolerances; knowledge which provides new revenue growth opportunities.

Other organizations blend the two aspects of service and sales even further. They view service calls as opportunities to cross sell other products or services based upon potential or identified needs arising from the service call.

External Customers vs. Internal Customers

A final distinction among call centers is their target market. Many call centers focus on customers that are external to the organization. These customers are people who pay for products or services and might include trading partners or buyers. Best practices call centers that focus on external customers strive to increase revenue and provide a competitive advantage in the marketplace.

Other call centers serve the needs of people inside the organization. Frequently, these call centers serve as help desks or vehicles for addressing human resources (HR) issues or questions on policy. They might also serve extended internal customers such as trading partners or suppliers. These call centers often focus on improving internal operations and lowering organizational costs such as those associated with employee turnover.

Given finite resources, however, many inbound call centers decide to service a mix of customers, suppliers, employees, field technicians, and more.

2.2 Call Center Trends

Market Growth

Toll free numbers and call centers have a large presence in the US and their presence is expected to increase rapidly. As illustrated in Figure 2.1 through Figure 2.3, call centers, call center employment, and investment in customer care technology and services are expected to grow at significant rates through the year 2000.

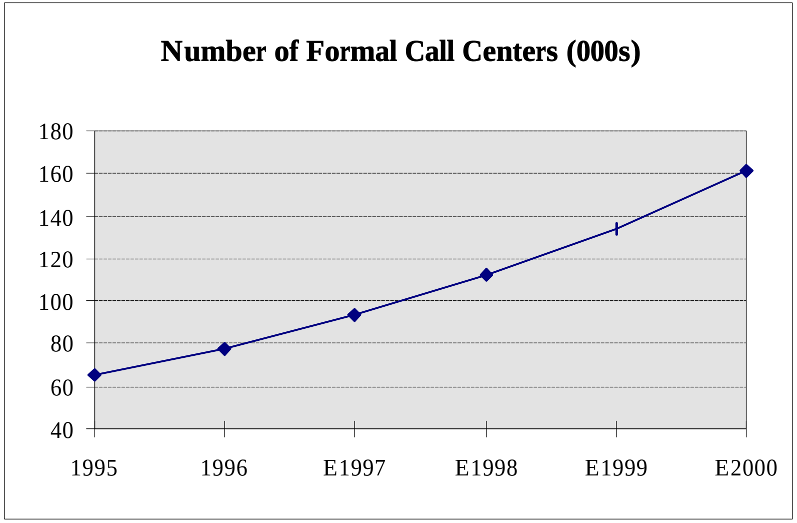

Figure 2.1: Number of formal call centers in the US.

Source: Oppenheimer & Co.

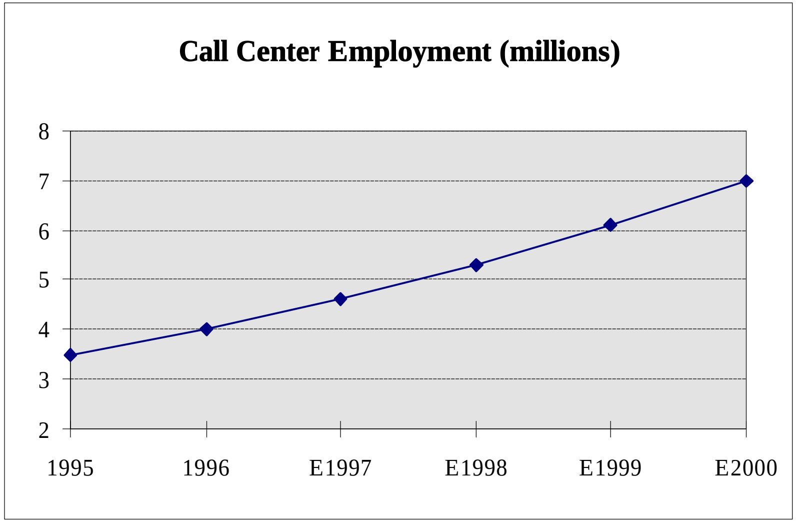

Figure 2.2: Call center employment in the US.

Source: Oppenheimer & Co.

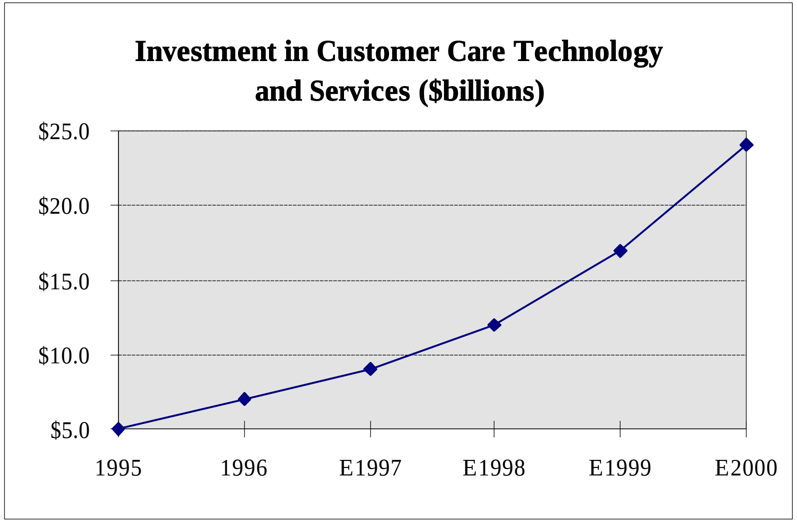

Figure 2.3: Investment in customer care technology and services in the US.

Source: Oppenheimer & Co.

Call centers and call center employment are expected to double within 5 years, while call center investment is expected to double every 2 years.

The disparity between the growth rates for call centers and their employees and the growth rate for investment reflects an evolution in call centers. Call centers are increasing their capabilities through the use of technology to service rising customer expectations and to leverage information obtained from customers. As customers are exposed to improved service, often across industries, their service expectations increase and they demand better service with more options. This awareness creates an opportunity to capture new customers for organizations that are willing to invest in customer service.

Customer Service on the World Wide Web

One opportunity for improving service is to offer more customer service channels, including improved interactive voice response (IVR), fax, E-mail and the Web.

Customer Websites provide a particularly effective means for providing self-service. They are a requirement for organizations that want to stem the long-term growth of calls to their call centers and reduce customer attrition. Websites offer several distinct advantages, listed below, over other media.

1. *Low cost.* While the typical cost for a CSR handled call is $5.01, and the typical cost for IVR ranges from $0.35-$1.00, the typical cost of a Web/Internet transaction is $0.25-$3.50 and should drop as more customers take advantage of the services.[1]
2. *Customization.* Utilities allow customers to customize their service Websites to present only information that is personally relevant. Customized Websites also increase customer loyalty because customers are reluctant to duplicate their efforts with another organization.
3. *Resolution tracking.* Customers can follow the progress of their service request and view its resolution online.
4. *Download fixes.* Customers can access software fixes and post notification of software bugs.
5. *Community.* Customers can communicate with peers and share product or service information through "chat" facilities.

Despite these benefits, customer Websites will not replace IVRs as the only self-service channel, but rather complement them. Reliance upon the Web for self-service has numerous obstacles to overcome before it can be a truly universal channel for self-service. Several inhibitors to customer service on the Web are listed below.

1. *Not everyone has access to the Internet.* While public access to the Internet is available at many locations, telephone access is much greater in the US.
2. *The Internet is not 100% secure.* There is a great deal of research being conducted in this area, but, currently, the Internet has not proven to be a foolproof medium for protecting proprietary or confidential information. While no widely available media is 100% secure, the telephone is commonly perceived to be more secure than the Internet.
3. *Not all Websites are easy to use.* A significant amount of research and experience has been leveraged to design today's IVR systems. That level of effort has not been focused on customer service Website designs.
4. *Not all Websites contain the most up-to-date information.* Until the information published on the organization's Website is as current as the information available to the CSRs, customers will continue to call into the customer service center and access the information via IVR or request live assistance.

Call Center Evolution

Improved service with more options, often enabled by technology, reflects an increase in the level of sophistication in customer service. There are three levels of sophistication in providing customer service. There is **customer acquisition**, which is characterized by the following.

1. The organization is working to build its customer base.
2. Call centers are consolidated to achieve efficiencies.
3. The organization is focused on internal improvements, not on the customer.

Then, there is **customer relationship management**, which is characterized by the following.

1. Customers are segmented, often by region, product, or industry.

2. Customers are managed by segment.
3. The organization focuses on customer retention.

Customer retention is a significant issue because studies show that it is 4 to 10 times more expensive to acquire a new customer than to retain one.[2] Finally, there is **customer asset management**, which is characterized by the following.

1. Customers are stratified according to value.
2. Customers receive differentiated levels of service depending upon their value.
3. The organization focuses on moving customers up the value chain.

At this third level of customer service, organizations are interested in increasing the value and strength of their relationships with their customers.

After organizations become comfortable with the basics of technology and providing customer service through a call center, they can begin the evolution towards customer relationship management and then customer asset management.

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[1] "Five Levels of Customer Service Websites", Gartner Group, June 1998.

[2] "Hype Cycle for Customer Service Self-Serve Technologies", Gartner Group, April 1998.

3. KEY FINDINGS

Before establishing a call center, an organization must examine its business objectives and its customer's needs and expectations to define the call center's purpose. For example, if the organization's goal is to be a full service provider whose reputation rests on customer service, then that goal places a higher value on the call center's functionality. If an organization's customers include foreign language speakers, that factor is an input to the call center's design. In addition, the organization must define the constraints by which it must operate, e.g., budgetary constraints, scheduling constraints, and technical constraints.

After these first steps have been taken, the organization must determine the performance standards necessary to achieve its objectives. These performance standards, such as percentage of calls resolved on initial contact, serve as important benchmarks for the organization. Standards, along with constraints, are used to design the processes of the call center, i.e., what the call center does.

The next design variable is technology. The organization must select the enabling technology that will allow it to implement its desired processes.

The organizational structure of the call center must be designed to make the most efficient use of the chosen technology, in order to execute the desired processes most effectively. The combination of staff and technology is what enables the processes of a call center.

The right people for the call center organization can be hired based upon the organizational structure of the call center and the resulting job descriptions. The job description defines the role within the organization, responsibilities for performance, and expected qualifications.

This Key Findings Section reflects this approach by highlighting best practices in the areas listed below.

1. Effective Process
2. Enabling Technology
3. Supporting Organization
4. Empowered People

3.1 Effective Process

Description

Business processes define the way an organization adds value to its customers. Processes are tasks or services carried out by specific groups or individuals that determine the way work gets done.

Types of services that best practices call centers typically perform include inbound customer service, inbound sales, outbound sales, combinations of service and sales, and more. The services they provide depend upon the organization's purpose for having a call center. From there, the organization must decide what processes the center should perform to fulfill the organization's strategy.

Performance measures

To ensure that the processes are fulfilling customer expectations and the organization's strategy, standardized call center measures must be developed to provide regular performance information. These measures allow the following outcomes.

- Tracking of progress towards outcome goals
- Identification of potential problems
- Identification of opportunities for ongoing improvements

A significant number of these measures can be collected through automated systems, and it is recommended that this information be collected in a consistent format to facilitate presentation and analysis. A performance measurement plan should establish procedures and identify standards to assess individual and call center performance. The measurements should consider accuracy and quality of assistance, along with productivity and costs.

The performance of the call center should be measured using several different types of metrics. Performance metrics can measure the performance of the call center as a whole and the performance of individual representatives. Metrics used should include the following.

1. *Average speed of answer.* This measures the percent of calls answered within a prescribed period of time.
2. *Blocked call rate.* This measures how many callers receive a busy signal when they call the center.
3. *Queue time.* This measures the length of time callers wait for live assistance.
4. *Calls handled electronically.* This measures how many callers complete their calls using only the IVRU.
5. *Abandonment rate.* This measures how many callers hang up while waiting for live assistance.
6. *First contact resolution.* This measures how many calls are satisfactorily completed, or not escalated, after receiving live assistance.
7. *Productivity rate.* This measures how much of the representative's time is spent assisting customers.
8. *Average call length.* The average amount of time that representatives speak with customers.
9. *Average after work time.* The average amount of time that representatives need to assist customers after the call has ended.
10. *Average handling time.* This measures the total amount of time a representative uses to assist a customer. This is a combination of average call length and average after work time.
11. *Automatic number identification (ANI).* This measures how many individual callers use the call center.
12. *Caller satisfaction ratings.* This measures the quality of the call. It can be assessed by a supervisor or quality assurance team that monitors CSR calls, or, more appropriately, by

asking customers if they are satisfied with the service they received.

The following table is a listing of performance metrics for best practices organizations.

Performance Metric	Best Practice
Average speed of answer (Each ring equals 6 seconds)	80% within 3 rings
Blocked call rate	<2%
Queue time	15 seconds
Calls handled electronically	30%
Abandonment rate	<2%
First contact resolution	90%
Productivity (% of hours spent on answering calls)	80%
Agent to supervisor ratio	12 to 1
Number of employees	200-300

Source: Gartner Group

Process flow

The following narrative describes the process flow of customer contact at an inbound customer care center that is depicted in Figure 3-1.

1. **The customer calls the customer care center.**
    - 1.1. The customer calls into the center via telephone or by using the Web.
    - 1.2. The call is routed to an IVRU or Web-server, which, based upon the information the customer enters or upon a telephone number look-up, pulls up the customer's information via computer telephony integration (CTI) or database query.
    - 1.3. The customer selects to use self-help.
        - 1.3.1. Depending upon the nature of the service, as many as 90% of the calls into a customer care center can be handled via self-help.
    - 1.4. The customer selects to use live assistance.
        - 1.4.1. Calls requiring live assistance are sent to middleware and/or an automated call distributor (ACD) for routing.
        - 1.4.2. The middleware and/or ACD routes the call to particular CSRs at Tier 1 support. The CSR is selected based upon the customer's profile, the service desired, and the organization's criteria. If contact originated from the Web, the CSR calls the customer at the designated phone number.
        - 1.4.3. Tier 1 CSRs are generalists who resolve approximately 80% or more of calls aided by a knowledge base of common questions and answers.
        - 1.4.4. Calls not resolved at Tier 1 are escalated to specialist CSRs at Tier 2 support for immediate resolution or to schedule a callback.
        - 1.4.5. Calls not resolved at Tier 2 are escalated to experts at Tier 3 support. Experts research a solution and sends the results back to the Tier 2 specialist, who in turns notifies the customer.
2. **The customer corresponds with the customer care center.**
    - 2.1. The customer corresponds with the center via E-mail, fax, or mail.
    - 2.2. If the correspondence is E-mail, it is routed through an E-mail response management software for analysis and

tracking (very few organizations currently perform this step). If the correspondence is mail, it is imaged and subsequently handled similarly to faxes.

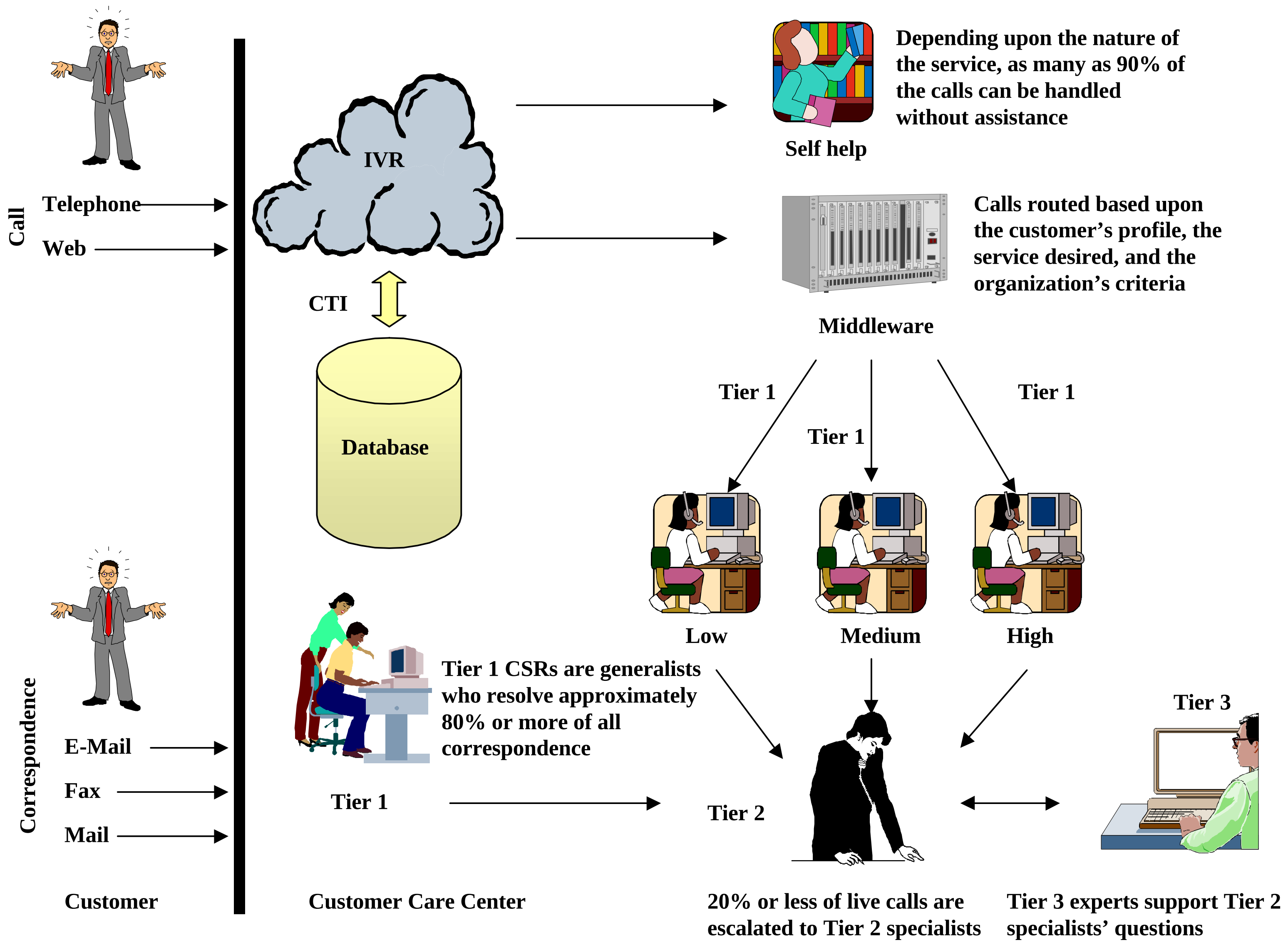
2.3. The correspondence is sent to CSRs at Tier 1 support (which can be a distinct group specializing in correspondence) for resolution.

2.4. Tier 1 CSRs are generalists who resolve approximately 80% or more of all correspondence.

2.5. Correspondence not resolved at Tier 1 is escalated to specialist CSRs at Tier 2 support for resolution.

2.6. Correspondence not resolved at Tier 2 are escalated to experts at Tier 3 support. Experts research a solution and send the results back to the Tier 2 specialist, who in turns notifies the customer.

Process Flow at an Inbound Customer Care Center


Call
Telephone
Web
IVR
CTI
Database
Self help
Middleware
Tier 1
Tier 1
Tier 1
Low
Medium
High
Correspondence
E-Mail
Fax
Mail
Tier 1
Tier 2
Tier 3
Customer
Customer Care Center

Depending upon the nature of the service, as many as 90% of the calls can be handled without assistance

Calls routed based upon the customer's profile, the service desired, and the organization's criteria

Tier 1 CSRs are generalists who resolve approximately 80% or more of all correspondence

20% or less of live calls are escalated to Tier 2 specialists

Tier 3 experts support Tier 2 specialists' questions

Figure 3- 1 Process Flow at an Inbound Customer Care Center Model

Examples

A Human Resources Outsourcing Call Center

A human resources outsourcing call center provides HR administrative services for large corporations' employees. Over 100 corporations and 2 million of their employees are serviced, primarily employee benefits, e.g., 401(k)'s, pension plans and insurance plans. The call center currently has up to 800 employees, depending upon the season, and is growing rapidly.

The call center provides the inbound customer services listed below.

- On-line financial transaction processing (e.g., transfer my balances from index funds to money market funds)
- General HR information (e.g., what can I do with my benefits if I get married)
- Financial modelling (e.g., what would my loan payments be if….)
- Account inquiry (e.g., what is my current loan balance?)

The call center determines its effectiveness in delivering these services primarily through *measured* customer satisfaction. Customer satisfaction is determined by calling customers back 1 to 2 days after their call into the call center. The customers are then asked to rate their experience on a scale. They are asked questions such as, "how knowledgeable were we?", "how responsive were we?", and then asked if they were satisfied with the contact. Free form responses are taken with every question in addition to scaled responses because there may be an unforeseen opportunity for improvement.

Many proxies for customer satisfaction are tracked as well, such as speed of answer, abandonment rates, call processing and timeliness. Most service centers also monitor calls and score them for service and content, acting again as a proxy for customer satisfaction. There are more inward focused measures as well, which are commonly linked to efficiency, such as agent utilization, schedule adherence and call processing.

A Mutual Fund Company

This mutual fund company is one of the world's largest mutual fund companies, managing over 200 funds for over 10 million customers. Approximately 40% of the company's daily customer contact that it records is through the call center. Another 55% of customer contact is conducted electronically, including IVR. To provide customers service, the company operates 8 call centers throughout the US employing 6500 CSRs. CSRs are all college graduates that have been through mutual fund and brokerage training and are licensed according to product, region, and sometimes state.

The majority of the company's service is inbound customer service and sales. The CSRs are grouped into 17 different teams with separate 1-800 numbers to service different customer segments. Customers are segmented by region and typical transactions to comply with licensing requirements and by level of service to offer highly valued customers superior service.

Because the company's emphasis is on sales in addition to service, its performance measures reflect both. There are two main measures which drive CSR evaluation at the company: 1) sales per month, and 2) average speed of answer. CSRs are expected to generate a certain amount of sales per month in services, depending upon the CSR's experience. All CSRs are expected to answer 98% of all calls within 5 seconds (where 1 ring cycle equals 6 seconds).

The company provides such responsive service because the cost of doing so is less than the average revenue per call and its business environment demands it.

Claris Corporation

Claris is now FileMaker, Inc., a wholly owned subsidiary of Apple Computer that develops and sells database software and an HTML editing tool.

Claris' team of 40 CSRs are trained to take their time with the customer to try and resolve all questions on the first contact. And in the long run, this saves money and improves customer retention, says Steve Kurasch, Claris' tech support supervisor.

"If we rush them off the phone and the solution does not work, then the customer calls back, waits on hold, re-explains the problem and possibly receives a different answer," explains Kurasch. "This can leave the customer confused, so they may call back a third time to see which answer is correct."

Thanks to this policy, the reps handle over 90% of the calls on the first call. Kurasch says the remaining percentage of calls are either researched by the help desk, or possibly could not be completed because the customer was not in front of the computer or sudden interruptions took place.

"Fortunately we try to log everything that transpired into our customer tracking system so if the customer calls again, that information is available for the next technician," says Kurasch.[3]

An Airline

The airline is one of the largest airlines in the US. The airline takes the impact of the caller's call center experience on customer satisfaction, retention and revenue very seriously. Near the end of each day, their headquarters contacts a sampling of customers whose calls were monitored at their reservations centers during the business day. They ask customers what they remember most about their experience and how that will impact future business dealings with the airline. This customer contact process also helps validate the effectiveness and accuracy of their call monitoring process and provides input for CSR feedback and training.

Success Factors

The service center success factors for an organization to have effective processes at its call center are described below. It is important to establish effective processes, for processes determine the type of technologies used, the structure of the call center, and the role of the people.

1. *Personalized service.* This is where customer service wherewithal comes into play. Most of what drives customer satisfaction is not the actual information provided or the order fulfilled, but how the service was delivered. The CSR's behavioral skills and effective call handling define exceptional treatment by the customer.
2. *Responsiveness & knowledge*. This attribute is about providing the requested information in a knowledgeable way. Key drivers include the information available to CSRs, content training for CSRs, the systems providing requested information, and the tools used to track open issues.
3. *Ease of use.* This attribute is commonly associated with self-service. The effectiveness of self-service will be defined by how easily customers can get information and answers, and how easily they can get to a CSR when help is needed. For example, it is generally a good idea to let callers in an IVR know up front that they can press 0 at any time for help or select a 'call me' button on the Web version of self service.
4. *Accurate, accessible information.* Accuracy is essentially taken for granted, especially in a financial application. But implicit in accuracy is currency – it makes little sense to have loan payoff amounts available that are not current, especially for the caller who wants to pay off the loan (vs. getting a general idea).

5. *Customer service available 24 hours a day, seven days a week.* Live customer assistance can be limited to expanded working hours, however, self-help functionality should be available at all times.
6. *Staff should be measured using efficiency metrics only in conjunction with measurements of effectiveness.* Evaluations focusing solely on metrics such as number of calls handled per hour often result in poor customer care as the CSRs strive to meet production goals rather than strive to satisfy customers.
7. *CSRs regularly call back customers who have called in order to assess the quality of service received.* Doing this allows a call center to learn what is being done correctly and what needs to be improved. Customers should be allowed to provide freeform answers to describe their experience in addition to capturing metrics. Metrics should be compared against internal evaluations performed by supervisors or quality assurance personnel.
8. *CSRs should spend a maximum of six hours on the telephone answering calls.* This reduces the possibility of burnout on the telephone and fosters an environment that supports long-term employment.
9. *Provide a flexible schedule for CSRs to a degree.* This creates a flexible work environment that staves off potential burnout and keeps staff fresh, positive, and ready to meet customer needs.
10. *Provide CSRs with a variety of tasks besides answering the phone.* Such possibilities include database entry, entering detailed directions to solve a particularly complex question, detailed research, and training.
11. *Clearly define the range of questions that the call center will be prepared to address.* This maximizes and focuses the efforts of the CSRs.
12. *The CSR is accountable for the problem resolution, even if the call is forwarded to an expert.* This creates an atmosphere of accountability and heightens the quality of the customer's experience. In addition, the CSR has an opportunity to learn the answer for the next caller.
13. *All calls are logged as they come in.* This ensures that accurate records are kept from which to generate reports that guide the on-going development of a call center.
14. *Performance tracking.* Weekly reports and senior management reports update managers as to how the call center is performing. This helps managers in determining if adjustments need to be made to the current process.
15. *Calls offered analysis.* Organizations need to conduct a periodic calls offered and calls handled assessment to define incoming call attributes (who calls, what they call about, when they call) and to understand how the several caller and call event segments are best distributed and handled (average call time, after call work, transfer targets, and resolution rates). It simply is not possible to accurately establish, staff, and skill a successful inbound call center, or any other business unit, without first defining the workload. Relatively small inaccuracies can have a serious impact on staffing, scheduling and skill needs.

Relevance to ED

ED should consider the following factors when determining the most effective means of providing customer service.

1. *Define strategy and define success.* ED must define a strategy for its customer service operations that includes the voice of the customer. That means soliciting input from different customer segments and defining successful customer service from their viewpoint. If successful customer service includes options other than a call center, e.g., Web-based self-service, ED should consider the feasibility of offering those services.

2. *Define workload and define capabilities.* In order for ED to build an effective inbound customer service center, it must accurately define the workload. ED must develop an actionable understanding of its incoming call attributes, e.g., who calls, what they call about, and when they call. This is referred to as a Calls Offered Analysis. ED must also develop an understanding of its current capabilities, e.g., average call time, after call work, and resolution rates. This is referred to as a Calls Handled Assessment. Based upon the Calls Offered Analysis and the Calls Handled Assessment, ED will understand its areas of improvement and training needs, and ED will understand how the caller and call event segments are best distributed and handled. ED's call center management should regularly analyze calls offered and calls handled data to achieve alignment with call events and call center capabilities.
3. *Customer segmentation.* Given ED's breadth of customers and the diversity of their needs, ED should strongly consider segmenting customer service to serve them better, e.g., segmenting customer service by customer. ED's customers will want to interact with an organization that is responsive and that is familiar with their unique needs.
4. *Different levels of service.* It is common practice for sophisticated call centers in the private sector to offer different levels of service to customers based upon their long-term, or "life", value to the organization. ED may also wish to offer different levels of service based upon the value of its customer base, as defined by ED. More highly valued customers should receive a personal level of service that would give them a sense of respect and comfort in working with the center. However, as a federal government agency, ED may not be able to separate particular customer groups for special service.
5. *Multiple points of contact vs. single 1-800 number.* A single 1-800 number has the benefit of offering all customer segments access to a broad range of services. This benefit is achieved, however, at the cost of creating additional screens and call routing inbetween ED and its customers. To provide the same level of benefits but without imposing the costs on ED's customers, ED should establish separate 1-800 numbers for different customer segments. To ED's customers, it appears that ED is providing them with full access to its services with a single 1-800 number. The separate 1-800 numbers should be established after a thorough analysis of ED's customers and their needs. In addition, there may be circumstances, e.g., a special pilot program, where ED will wish to provide partners with a separate 1-800 number to address their unique concerns or to reward them with higher levels of service.
6. *Improving performance measurement.* ED should find better ways to measure its performance in order to improve the skills of CSRs and to measure customer satisfaction. One such way would be to improve customer feedback mechanisms so that ED could determine how customers view its operations.
7. *Automating services.* ED should automate services where possible while ensuring satisfactory levels of service, e.g., offering IVR functionality with a simple and responsive menu. This would result in a greater number of customers using this less expensive medium. ED should be able to provide callers access to the system 24 hours a day, 7 days a week.
8. *Outsourcing.* If ED decides to outsource customer service operations, it should ask the service providers specific questions about how they plan to offer differentiated levels of service or to segment customers.

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[3] "High Tech Product Support (Software): Claris", Call Center Magazine,

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January 1998.

3.2 Enabling Technology

Description

Call centers facilitate the movement of voice and data between the organization and its customers. Technology can play a significant role in enabling this information exchange. For example, technology can allow a call center to retrieve a customer profile, service history, and likely service request based entirely upon an incoming phone number. The call then can be routed to the most appropriate CSR who has the skills or the relationship to field the call. The CSR, supported with a customer profile and service history, will be able to better handle the customer's inquiry and receive feedback on previous problems. This personal level of service strengthens the relationship between the customer and the organization and is made possible through the applied use of technology.

Technology can also be a significant enabler for customer self-service as well. In many situations, technology enables the customer to access relevant organization information, e.g., flight arrival times, or conduct transactions, e.g., shift money between accounts, all without live assistance. If the self-service options are easy to understand and responsive, the organization will be able to support more customers without increasing staff.

This self-service capability is significant because, traditionally, over 60% of a call center's operating costs are associated with human resources, including salaries, benefits, training, evaluations, and incentives. The cost of a customer utilizing self-service is 5% to 20% of the cost of the customer speaking with a CSR. Thus, in addition to allowing the organization to provide superior service, technology also allows an organization to reduce costs.

As described, technology is a call center enabler, not a driver. There are key factors to consider before employing new technology. An organization should consider how the functionality matches its needs, whether or not it is scaleable, how well it integrates with existing technology, and its costs, including training and maintenance. Overall, management must evaluate how the technology will affect the call center's effectiveness and efficiency, i.e., its ability to meet its business objectives at the least cost.

Definitions

In order to talk about call center technology issues more easily, the definitions of many call center technologies are listed below (Source: The Tower Group).

1. *Automated call distributor (ACD).* Assigns extension numbers within a PBX system to specified groups. Sets up work queues, then balances incoming calls to available CSRs or to IVRUs for each group. Performs real-time system performance monitoring, measuring number of calls in queues, abandoned calls, average call processing time, etc.
2. *Automatic number identification (ANI).* The ANI is a service provided by the telephone carrier that identifies the telephone numbers from which the customers are calling.
3. *Computer telephony integration (CTI).* CTI provides a flexible link between the telephone infrastructure and the information systems infrastructure, thus having the potential to reduce talk time, improve service levels, and improve the interaction between customers and CSRs. Information about the caller is captured before the CSR answers the telephone.
4. *Contact management system (or customer service middleware).* Accesses information from organization databases, performs call and data management and routing,

performs workflow and queue management, monitors and reports system performance, and maintains event histories.

5. *Fully integrated databases.* These databases can provide customer profiles and histories to the CSRs or others within the organization to improve processes and procedures. The CSRs also have the ability to update information about customers in the database. Most of all, CSRs can assist the organization by capturing information, complaints, and satisfaction surveys provided by customers in an automated and standardized way.
6. *Interactive voice response unit (IVRU).* The IVRU is the message unit of the call center, providing customers with menu options for automated service and an option for live assistance by making selections using a telephone touch-tone keypad.
7. *Private branch exchange (PBX).* Telephone call switching system installed at the call center site that switches calls to internal extensions or to an ACD.
8. *Screen pops.* Screen pops are the messages and information screens CSRs use to assist customers.
9. *Website interface.* Through CTI, organizations can develop a seamless link between the customer care center and the organization's Website. The technology is available for customers to use an organization's Website to conduct business and also receive assistance from a CSR at the customer call center.

Examples

A Mutual Fund Company

This mutual fund company is one of the world's largest mutual fund companies, managing over 200 funds for over 10 million customers. Approximately 40% of the company's daily customer contact that it records is through the call center. Another 55% of customer contact is conducted electronically, including IVR. To provide customers service, the company operates 8 call centers throughout the US employing 6500 CSRs. CSRs are all college graduates that have been through mutual fund and brokerage training and are licensed according to product, region, and sometimes state.

The majority of company's service is inbound customer service and sales. When calls arrive, there is technology in place to identify the incoming number and then pull up the relevant customer information. Based upon the customer's profile, the system determines the type of service required, and then selects 1 of the company's 17 CSR teams to field the call. Then, the system determines to which of the team's 3 locations to route the call. The call processing determines which team location can best handle the call based upon the number of qualified staff at a particular location, the expected transaction time for that call (due to type of service, etc.), and how many calls are waiting to be serviced. This assessment is made within 3 milliseconds, so the customer is never aware of the delay.

Without technology, the company would be extremely limited in the services it could provide. It would not be able to group its CSRs into different teams to comply with licensing requirements and to offer different levels of service nearly as effectively. The company would have to return to a slow and legally siloed environment. For example, it would need to have all of its CSRs who are licensed to sell mutual funds either assembled in one location or have duplicate groups in multiple locations throughout the country, one per separate licensing region. The overall effect would be cost prohibitive and not very conducive to good customer service.

Claris Corporation

Claris is now FileMaker, Inc., a wholly owned subsidiary of Apple Computer that develops and sells database software and an HTML editing tool.

Calls come into Claris's support center through an Aspect Telecommunications Agility IVR/ACD system with skills-based routing. Skills-based routing allows calls to be directed according to the most appropriate service level. The unit identifies each customer and sees if they are entitled to support. Calls that pass this screen are then transferred based upon their menu choices in the IVR to a particular technician for a specific product (such as ClarisWorks), a general product queue, customer service or an automated services menu providing different service options.

The Aspect ACD sends a message that is automatically written into the call record. Other information sent and written into the call record includes the product selected, queue time, the technician's name, the total time with the technician and time the call ended.

"If a customer is on hold and wants a refund, management can then look up the record and verify the calls," says Steve Kurasch, Claris' tech support supervisor. "If the technician notices that the customer called four times today and abandoned before being connected each time, the technician has knowledge of this and may give a little extra care to the caller."[4]

Geico Direct

Geico, one of the country's largest direct marketers of auto insurance, provides free automated rate quotes from its Website, www.geico.com. Customers can also click on a Web callback button from Geico's site and indicate the phone number where they can be reached. Clicking on the button generates what a customer perceives to be a call from a Geico counselor, Geico's term for agents.

Since May 1997, Geico has used AT&T's Project interactiveAnswers (iA) to provide immediate Web callback over AT&T's public phone network. The insurance company plans to link Project iA with its applications system so those Geico counselors can receive screen pops when callback requests reach them. Such computer telephony integration will also be useful for customers, who can now change their contact info and other non-financial data on an on-line form.

All callback requests go to Geico's San Diego call center, which has 150 counselors. Geico also plans to give its agents Internet access so they can push documents, like copies of bills, to customers visiting Geico's site.

Despite San Diego being the hub of Geico's Web callback, Reed says Geico's call centers typically answer calls from customers geographically closest to them. The insurance company employs 2,500 counselors throughout eight call centers nationwide. Their training is mostly in sales. A subset of Geico's agents is also trained to answer E-mail. Jess Reed, assistant vice president of telecom at Geico, says the insurance company receives a lot of E-mail from customers that is not related to sales, like questions about bills and coverage, and suggestions for making the Website better. He says many customers have yet to try Geico's Web callback option.[5]

Success Factors

Best practice organizations use technology effectively to fulfill customer expectations and provide superior customer service. Success factors for leveraging technology are listed below.

1. *Create a paperless environment.* Electronic storage of information, including imaging, instead of paper-based

storage, allows the CSR to search extensive databases rather than search through paper-based logs, hence resulting in quicker service.

2. *Multiple options for receiving service*. Customers have different preferences for receiving service. Organizations can benefit by using technology to cater to their customers' choices, particularly when customers are seeking improved options for self-service.
3. *Personalized service*. Through the use of technology, organizations can route callers to the same team or person for all of their customer service center contacts. When a complete service history is also provided, the CSRs are able to provide a personalized level of service by noting changing customer needs or by inquiring about concerns.
4. *Integrated database systems*. The integration of call center data with data from other departments can make the entire organization more responsive to customer demands. Organizations that are integrated and use shared information to base decisions upon are called receiver-based organizations. These organizations use information received from customers or other departments to make optimal decisions to achieve the organization's mission.

Relevance to ED

ED should consider the following factors when selecting and deploying technology to support its customer service processes.

1. *Multiple access channels*. Most modern organizations do not refer to their call centers as "call centers". They are called "customer contact centers" to recognize the fact that customers should have many channels of communication when interacting with the organization. ED should consider implementing a customer contact center that is a multimedia contact center, i.e., the center should be able to interact with its customers via the phone, Internet, fax, E-mail, IVR, and regular mail. In addition, the technologies ED employs should be Web-enabled, particularly when providing service to its more technologically aware customers, such as students.
2. *Widely available self-service*. ED should consider partnering with other organizations to provide certain forms of self-service to individuals without Web or Internet access. For example, ED and its partners could provide kiosks at libraries or schools that could answer basic questions, accept applications, and print out information.
3. *Sophisticated levels of self-service*. In addition to offering Web access to current frequently asked questions (FAQ), ED should consider offering an interactive, intelligent database for self-service similar to the "wizards" in many applications today. The database should allow users to enter freeform questions and, based upon certain key words, receive appropriate responses.
4. *Integrate customer service databases with the operational databases*. By integrating customer service databases and operational financial aid delivery system databases, CSRs can access the most current customer information and can also ensure that updates made to customer service data are propagated back to operational systems. Feeding decision support systems with customer service data can also support performance measurement and assist with trend analysis.
5. *Shared services*. ED should consider working with partner organizations to share information in order to provide better customer service to mutual customers. This partnership should be formal with defined levels of service.

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[4] "High Tech Product Support (Software): Claris", Call Center Magazine, January 1998.

[5] "Web Applications: Geico Direct", Call Center Magazine, January 1998.

3.3 Supporting Organization

Description

The structure of any organization determines how members of the organization interface with one another as teams and within those teams. Call center organizational structure should be designed to support the call center's processes most effectively. Thus, most call center organizations are grouped according to process, such as customer service or sales. Best practice organizations are consolidating their call centers operations into a few sites, and integrating their functional departments and information systems. The key benefits of consolidated call centers are cost savings due to economies of scale and reduced caller wait times because calls can be more efficiently routed to available CSRs.

In addition, call centers should be designed as an integrated component of the organization. Call centers serve to facilitate the exchange of information between the organization and its customers. Therefore, they should be able to access organizational information of interest to the customer and should be positioned such that the organization can take advantage of feedback from customers.

Internally, call centers generally have a single manager in charge as well as additional management positions in training, quality assurance, staff development, and operations. There are CSR supervisors who are normally manage approximately 15 CSRs, depending upon the supervisors' duties.

CSRs are typically set up in a tiering fashion. Tiering means differentiating the level of service based upon some criteria, e.g., customer value or inquiry sophistication. At the first tier, junior CSRs respond to general inquiries. As CSRs move up tiers, their service becomes more functional than informational. At the highest tier, the CSRs are cross-functional, which enables them to provide a more strategic service to the organization's customers. Establishing a tiered system also creates a shortened training path, in that not every CSR will need to be trained in every area.

Often, best practices organizations work in partnership with suppliers and outsourcers to optimize effectiveness and efficiency. This is frequently supported through shared database access. For example, partner organizations provide access to relevant data to perform credit checks or to determine service request status. Some organizations perform warm transfers, i.e., transferring the call and the screen information. Organizations also partner with teleservices firms to handle peak workloads, provide after hours coverage, and to handle priority campaigns.

Examples

A Human Resources Outsourcing Call Center

A human resources outsourcing call center provides HR administrative services for large corporations' employees. Over 100 corporations and 2 million of their employees are serviced, primarily employee benefits, e.g., 401(k)'s, pension plans and insurance plans. The call center currently has up to 800 employees, depending upon the season, and is growing rapidly.

A key trend in customer service is the integration of services, i.e., '1-stop shopping' from the customers' view. This simplifies things for customers and drives a new, tiered organization structure for the call center, as is the case for the call center. The first tier of service is self-service, where routine questions are answered. In the financial services industry, more than half (often far more) of customer inquiries can be met without personal contact. Because the scope of services can be expansive due to integration, there is a limit to what can be accomplished via self-service. The second tier introduces generalist CSRs who can cover the scope of the integrated services at a greater depth than self-service. This tier is supported by a third tier staffed with specialists who focus on relatively few of the individual underlying programs, but who need to be involved in only a small fraction of total customer interactions, assuming proper architecture and training within the second tier.

At the second tier, the CSRs are grouped into teams of 10 to 15 people. Each team has a leader and a quality coach. The team leader normally handles staffing and other administrative issues. The quality coach is generally a peer with more experience who reviews calls and provides feedback. Quality coaches are in a unique position to identify customer trends and training needs on the team level. In addition, teams have people with specialization who act as a team resource. This local knowledge reduces the number of calls escalated to the next tier of support.

A Mutual Fund Company

This mutual fund company is one of the world's largest mutual fund companies, managing over 200 funds for over 10 million customers. Approximately 40% of the company's daily customer contact that it records is through the call center. Another 55% of customer contact is conducted electronically, including IVR. To provide customers service, the company operates 8 call centers throughout the US employing 6500 CSRs. CSRs are all college graduates that have been through mutual fund and brokerage training and are licensed according to product, region, and sometimes state.

The company has 8 call centers along with one group placed in the national control center. The group in the national control center is responsible for ensuring that the company's service levels match its customers' expectations. To accomplish this goal, they manage staffing numbers, staffing skills, call volume distribution, training for new products, track staff vacation and more. The national group creates a weekly staffing plan, broken down by team, that is disseminated to all 8 call centers. There are 17 teams in the 8 offices. Each team is spread out over three offices and distributed so that there are always multiple teams per office.

As each day progresses, it is the national group's responsibility to oversee the phone network and the staffing network. Calls must be balanced and directed to where the qualified staff are located. If necessary, they must make adjustments to call distribution and staffing during the day. The national group alerts the local call centers when it makes adjustments.

While the national center is responsible for initiating the weekly staffing plan and distributing it to the local call centers, the local call centers are responsible for following the plan. The national center maintains a "commitment track" which is an index that measures team performance at the local call centers. There is enough information in the commitment track to determine performance from the office level down to the CSR level if needed.

The use of performance measures is what drives the coordination of the multiple call center locations. The combination of expectations and the availability of performance information keeps everyone on the same page and helps everyone manage themselves.

By grouping its CSRs into teams, the company is able to manage the demands of multiple licensing requirements dependent upon product and region while offering multiple levels of service to its customers. The flexibility is a trade-off with the increased complexity of managing distinct teams.

Compaq Computer

Compaq Computer is the largest PC maker in the world. Compaq targets most of its sales to business customers but also markets products to home users, governments, schools, and students.

Following the trend of call center consolidation, Compaq is centralizing its European, Middle East and African tech support at its new Dublin, Ireland facility. It has a Singapore center that takes calls for the Asia Pacific market, and a Tokyo center serving the Japanese market.

Going against the centralization trend, however, Compaq recently opened a new call center in Atlanta instead of Houston where its support had been centralized. This center handles calls for its commercial products, such as desktop, portable and enterprise (servers, workstations and communications products, such as routers). It is a 24x7 operation. “We’ve chosen to open in Atlanta for two reasons — to take advantage of the tech support talent in the Southeast and to give us disaster recovery,” explains Compaq call center business development manager Tim Acorn. “If we ever get problems in Houston, we can route all of our calls to Atlanta.” [6]

Ohio Casualty

The Ohio Casualty Group of Insurance Companies serves individual policyholders and independent insurance salespeople. It specializes in property, life and low-risk auto insurance.

Ohio Casualty has consolidated its call centers to four locations: Denver, CO, Lombard, IL, Lexington, KY, and Cincinnati, OH. Consolidation, combined with the ACD, has helped Ohio Casualty improve service.

Policyholders dial a toll-free number and connect to the call center closest to their region. Once a call reaches the call center, the ACD determines to which CSR the call should be directed. CSRs are responsible for each of the states within the region the call center serves. Several reps are typically assigned to one state. The Denver call center, for example, answers calls from the Southwest, the Northwest and part of the Midwest.

The effect of the consolidation is that callers receive the service they would expect from a local branch, but can get through to knowledgeable reps faster. [7]

CIGNA Healthcare

CIGNA Healthcare is part of CIGNA, a multiline insurance and financial services company. CIGNA HealthCare unit has about six million HMO members.

With all the competing healthcare providers out there, CIGNA wants to keep its customers happy. The center now gets 15,000 calls a day (and can handle up to 30,000) from members and doctors. Calls from doctors’ offices comprise about 40% of the call volume, with questions ranging from eligibility to billing inquiries. Consumers may call to find out the status of a claim they submitted or check on a physician referral.

CIGNA HealthCare’s new customer service call center in Charlotte, NC went into operation last September as the largest of 22 call centers (which handle over 22 million calls per year) the company operates in 17 states. The center can handle a 50% increase in call capacity compared to its prior location in Charlotte.

Jeffery S. Robison, vice president of customer service for CIGNA HealthCare, says the company needed a new center for several reasons. “We were out of space in our prior location and were unable to accommodate our continued growth,” says Robison. “The previous center had many small rooms, low lighting, and a terrible furniture layout. It was not environmentally right. This had a negative impact on our agents."

CIGNA HealthCare decided to move within the city — four miles away. "We had the sense that the Charlotte market was the right place. Our new center has an open layout with only one office. The staff needs to have access to management at every level."

There were 320 employees in the old center. Now there are about 380, with capacity for 600, along with training space for 100. Most of the staff consists of full-time CSRs. There is one supervisor to every 15 CSRs and one technical assistant for every 30 CSRs. Typical call handling time is six minutes.

The center is expandable to accommodate an additional 50,000 square feet, increasing the building's capacity by 70%. Robison says he sees the extension happening in the next 18 to 24 months. After building five centers from the ground up, he says this has gone the smoothest because he was able to learn from the others. [8]

Success Factors

The following guidelines should be considered when establishing the structure of the supporting organization.

1. *Provide full-time and part-time schedules.* This is an attractive option the helps attract the "best and the brightest" potential candidates.
2. *Provide a flexible schedule for CSRs to a degree.* This creates a flexible work environment that staves off potential burnout and keeps staff fresh, positive, and ready to meet customer needs. Loyalty to the organization can increase too, for if the CSR feels the organization is "caring" about their needs, then they will do the same for the organization.
3. *Provide dedicated off-line groups.* This will maximize the expertise of researchers to offer quick, timely solutions without adding more staff members.
4. *Provide a systematic quality assurance function.* Whether performed by supervisors or by a quality assurance group, the call center needs to sample calls systematically to adjust training and operations based upon the shifts in customer needs.
5. *Multiple locations.* If there are multiple locations, there must be a significant commitment from the organization to provide the technology and the standardized training necessary to ensure that the organizational structure is transparent to the customer.
6. *Roving supervisors.* Supervisors can plug into incoming calls, rove through the center, and then jump in to help CSRs on a particular call if needed.

Relevance to ED

ED should consider the following factors when establishing the structure of its customer service organization.

1. *Multiple locations.* ED should have multiple call centers throughout different time zones to increase its availability of live assistance. Having multiple locations also aids disaster recovery capability.
2. *Different CSR teams.* ED should have their CSRs set up in a tiering fashion. There should be a tier of generalists who can field a majority of requests, perhaps further grouped by customer segment. There should also be a tier of specialists who are current on complex topics. By tiering the CSRs into groups providing different levels of service, ED can better serve its callers by focusing its limited training resources on the CSRs who are likely to need it.
3. *Partnering with other institutions.* At times, ED's call centers may not be able to resolve a call on the first attempt. These calls are generally escalated to the next tier.

However, there are instances where the answers lie within other organizations, e.g., schools, states, lenders, and guarantors. Thus, ED must form relationships with these organizations if it is to provide resolutions to its customers. These relationships can be established through communications systems, such that ED's CSRs are able to transfer callers and their relevant information to another organization's CSRs for service, i.e., a "warm" transfer. An improvement to transferring the caller to another organization, however, is to have that organization's data available to ED. This is accomplished by providing CSRs from different organizations access to each other's customer databases, making it possible to transfer customer information back and forth in real-time. With these relationships in place, customers are more likely to have their calls resolved on the first attempt.

4. *Provide a systematic quality assurance function.* Whether performed by supervisors or by a quality assurance group, ED needs to sample calls systematically to adjust training and operations based upon the trends in customer needs.
5. *Outsourcing service expectations.* If outsourcing, ED should determine whether or not the CSRs appointed to its customers will provide dedicated service or share their time with other organizations.

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[6] "High Tech Product Support (Hardware): Compaq", Call Center Magazine, January 1998.

[7] "Insurance: Ohio Casualty", Call Center Magazine, January 1998.

[8] "Healthcare: CIGNA Healthcare", Call Center Magazine, January 1998.

3.4 Empowered People

Description

The success of an organization's call center correlates directly with the people who work there, because people are the "heart and soul" of a successful call center. Without the right people, all the planning, technology, and collected knowledge resources will go to waste.

As can be seen in Figure 3-2 & Figure 3-3, people concerns rank highest among call center managers at banks. Managers identified retaining the best people (90%), hiring the best people (95%), and improving team performance (95%) as top concerns among 21 criteria at their call centers.

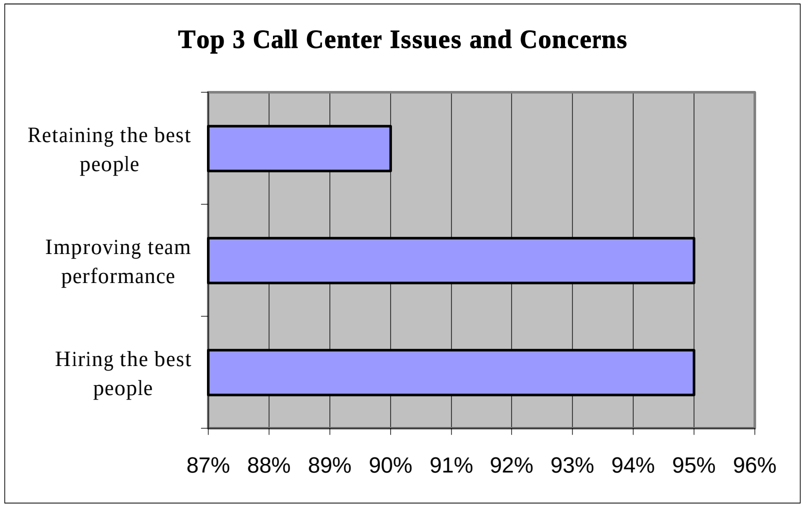

Figure 3- 2 Top 3 Call Center Issues and Concerns

Source: American Bankers Association.

Managers identified meeting technology implementation deadlines (15%), securing adequate budget for training (15%), and increasing starting salaries (5%) as less important concerns (see Figure 3-3).

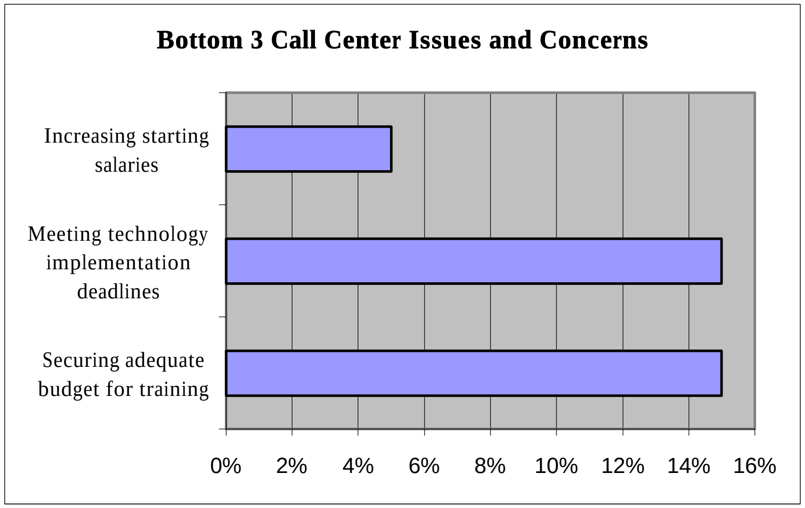

Figure 3- 3 Bottom 3 Call Center Issues and Concerns

Source: American Bankers Association.

Because anywhere from 60% to 70% of a call center's costs are staff related (see Figure 3-4), deploying staff effectively is critical. And because of the significant investment organizations make in direct expenditures and foregone productivity when training CSRs, hiring practices are becoming much more stringent.

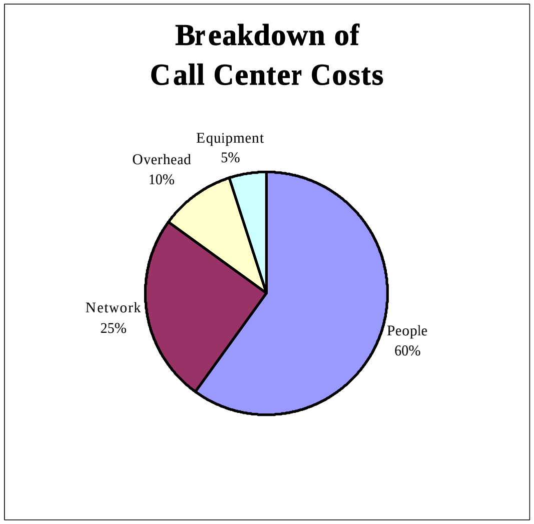

Figure 3- 4: Breakdown of Call Center Costs

Source: Gartner Group

Examples

A Human Resources Outsourcing Call Center

A human resources outsourcing call center provides HR administrative services for large corporations' employees. Over 100 corporations and 2 million of their employees are serviced, primarily employee benefits, e.g., 401(k)'s, pension plans and insurance plans. The call center currently has up to 800 employees, depending upon the season, and is growing rapidly.

When hiring large numbers of staff directly, the center will often advertise and use an IVR system to screen applicants. Applicants are asked specific questions about experience, number of years of college, preference for part-time or full-time employment, etc., and then they are asked open-ended questions such as, "What does customer service mean to you?" The open-ended questions provide an opportunity to hear them over the phone and to hear them think on their feet. For one hiring campaign, the center was able to narrow over 500 responses down to 30 to 40 interviews based upon this approach.

Interviews are done by HR and by peers. Peer interviews allow the interviewee to get a realistic picture of the position and determine if there is a match in culture. After the interviews, the candidate is taken to the call center floor and allowed to listen in on actual calls. Based upon this information, the interviewee is hired or deferred.

Once screened, interviewed and hired, employees are trained in:

1. *Customer service* – how to interact and how to manage the call
2. The *Programs* they are supporting
3. The *Technology* they will use

This training includes classroom delivery, but because adults learn better by doing, role-playing and simulation is an important activity. The initial training can last up to 6 weeks and more, depending mostly upon the complexity and scope of the service and the background profile of the people. After 6 weeks, an assessment is conducted to determine readiness – some people will require remediation. Once 'ready', new reps are typically 'buddied' (this also occurs in training) where they take the calls with a seasoned rep on the line as well. This period may last 2-4 weeks or more. Usually, somewhere in the 2-3 months range, reps are ready to 'solo', but should be monitored closely for an additional 1-2 months.

A Mutual Fund Company

This mutual fund company is one of the world's largest mutual fund companies, managing over 200 funds for over 10 million customers. Approximately 40% of the company's daily customer contact that it records is through the call center. Another 55% of customer contact is conducted electronically, including IVR. To provide customers service, the company operates 8 call centers throughout the US employing 6500 CSRs. CSRs are all college graduates that have been through mutual fund and brokerage training and are licensed according to product, region, and sometimes state.

The company is extremely selective in its hiring process. It demands good grades, high scores on an aptitude test, and then positive interviews. After hiring, training becomes paramount. During the first 3 months, the CSRs are only allowed to take phone calls from individuals requesting information. They can send prospectuses and applications only. After 3 months, the CSRs are put in training classes to begin certification. They take very few calls, if any, during training. After training, the CSRs field calls again, and the cycle repeats itself. It takes 3 years before a CSR is certified to handle all of the services that the company provides.

CIGNA Healthcare

CIGNA Healthcare is part of CIGNA, a multiline insurance and financial services company. CIGNA HealthCare unit has about six million HMO members.

When hiring CSRs, CIGNA Healthcare goes to great lengths to find the most qualified candidates that have a genuine interest in customer service. One tool for selecting candidates is the Job Applicant Screening System (JASS), a standardized computer program for hiring CSRs, developed with Purdue University's Multimedia Magic. This software screens and scores applicants by providing a simulated work environment, including eight customer "phone calls."

"The JASS system measures key customer-service competencies, including listening ability, problem solving, computer literacy and typing skills. It also includes an on-line service-aptitude test to measure an applicant's proclivity to provide superior customer service," says Jeffery S. Robison, vice president of customer service for CIGNA HealthCare.

"There are eight call simulations that let applicants listen and select choices, giving various answers," says Gary West, the JASS expert at CIGNA and director of human resources for call center operations. "JASS is generic and requires no industry-specific knowledge."

As a result, West says the people CIGNA HealthCare now hires are better suited for the job. "We wanted to learn about them and them to learn about us," he says. "Our past selection process was expensive and labor intensive. The new PC/CD ROM interactive program is self-directed. Applicants can come in any time and the process lasts approximately 90 minutes. Both time and money are saved, resulting in lowered cost per hire by several hundred dollars as well as reduced turnover."

Applicants also see and hear actual CSRs talking about their job. They're shown a video about the company, focusing on a day in the life of a CIGNA HealthCare CSR and a realistic preview of the job's responsibilities.

Newly hired trainees undergo an eight-week training course. "We use traditional teaching, such as classroom lectures, supplemented with a variety of multimedia call simulators," Robison says. "We test people consistently, and simulate the work as if they're in the production environment."

Robison says CIGNA HealthCare typically loses about 15% of hires in training, but those who stay on are treated well. Once on board, CIGNA Healthcare place great emphasis on providing feedback and support. Each CSR has a performance review once a month. Supervisors must conduct a minimum of eight side-by-side call monitors a month with CSRs. The quality team conducts another ten blind call monitorings. Technical assistants walk the floor so CSRs may easily flag them down if they need help. Finally, select supervisors use cellular phones to patch into conversations and provide additional support when needed. [9]

Success Factors

CSRs are the direct interface of an organization to its customers. Hence, an organization should hire people that fit its culture and will reflect well onto the customers. To get the most out of its staff, an organization should consider a number of guidelines to facilitate the hiring and retaining processes. These guidelines are drawn from the examples above and from secondary materials.

1. *Conduct a portion of the job interview by telephone.* The majority of customer contact with a call center is via telephone, so potential employees should be able to project themselves in a positive manner over the telephone.
2. *Hire CSRs that can understand the problem behind the questions.* Often, customers will have difficulty determining the root cause of their concern. CSRs must be able to swiftly navigate through the symptoms to provide an appropriate solution. CSRs should provide a solution-type answer rather than an information-type response.
3. *Clearly define job descriptions.* The CSR job descriptions should stress that employees are accountable for results instead of focusing just on the tasks they perform. Accountability-based job descriptions help to ensure that staff members understand why they have been hired and how to measure their own success while on the job. The organization also orients CSRs on the organization's mission and culture, provides CSRs with the skills and knowledge to succeed, and offers a career path.
4. *Empower staff.* Staff should be given parameters for using their own judgement to satisfy unique customer concerns without having to consult a supervisor or escalate the call.
5. *Train as an investment.* Cross training creates better employees who provide superior customer service. It allows the CSRs to gain additional experience and skills, and can reduce burnout. Best practice organizations typically provide an initial training period of up to 12 weeks to provide CSRs with the knowledge, skills, and organizational culture to assist customers. Training on new products and procedures is also standard for call centers. Reinforced training on customer service and stress management skills is provided by best practice organizations as well. This investment in CSRs is easily recouped when representatives have career opportunities within the organization. With opportunities for future promotion, CSRs continue to build on this training and knowledge throughout their tenure in the organization.
6. *Career ladders.* Providing employees with career ladders takes advantage of the training investment in employees and lowers attrition rates. CSRs are highly trained employees with extensive knowledge of the organization's procedures and its customers needs; they are not just telephone operators. Best practice organizations spend a great deal of time and money improving the knowledge and skills of their CSRs. Combining this knowledge with their customer service skills can make these CSRs an asset in other positions within the call center or elsewhere the organization.

7. *Motivate and coach frontline staff.* Supervisors should spend the majority of their time on training, coaching, and supporting CSRs. They should seek to improve the performance of their staff by providing structured and actionable feedback. Supervisors should reward exceptional behavior and correct mistakes the same day they occur. Providing this level of feedback with a goal towards improving performance results in higher staff morale, leading to reduced staff turnover.
8. *Establish a mentoring program.* Mentoring programs help to assimilate new staff into an organization's culture, serve as a knowledge resource for new staff, and improve experienced staff morale by increasing their contribution to the organization.

Relevance to ED

ED should consider the following factors when hiring, training, and managing call center staff.

1. *Hire CSRs with the right personality for the call center culture.* Often, calls coming into ED's call centers are from anxious, underinformed customers. The CSR must be empathetic towards the customer and able to separate the issue from the person in order to resolve the situation. ED should hire individuals who receive satisfaction from helping others and look forward to the next call. Knowledge of ED's programs and systems can be gained through training.
2. *Provide CSRs with an environment that will retain their services.* ED needs a core of expert CSRs to handle the technical specialty calls. These CSRs would generally be considered tier 3. CSRs are more likely to stay with ED long enough to obtain this level of experience if they have an attractive career path and receive recognition for the business value they deliver.
3. *Caring leadership.* Managers who genuinely care about and support their staff usually have staff who genuinely care about the business and support the objectives of the business. ED should employ managers who are passionate about customer service.
4. *Calls sampling to improve CSR performance.* ED should ensure that call sampling is used to provide CSRs with frequent, regular feedback on their performance. Feedback should be focused on recognizing superior service, identifying training needs, and improving performance.
5. *Provide incentives.* Morale in the workplace tends to increase when hard work is recognized. ED should motivate their CSRs by providing incentives. Incentives can be monetary in nature, but more often they are not. Examples include prizes, recognition awards, parties, etc.
6. *Orientation.* Every member of ED's customer service staff should receive training in ED's mission and guiding principles before working with customers. The training sessions should be led by senior management who underscore ED's commitment to satisfying its customers.

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[9] "Healthcare: CIGNA Healthcare", Call Center Magazine, January 1998.

4. SUMMARY

This Section summarizes the different facets of an integrated call center and describes their relevance to ED.

4.1 Effective Process

Business processes define the way ED adds value to its customers. Processes are tasks or services carried out by specific groups or individuals that determine the way work gets done.

Types of services that ED's call centers typically provide depend upon the ED's purpose for having a call center. From there, ED must decide what processes the center should perform to fulfill the organization's strategy.

ED should consider the following factors when determining the most effective means of providing customer service.

1. *Define strategy and define success.* ED must define a strategy for its customer service operations that includes the voice of the customer. That means soliciting input from different customer segments and defining successful customer service from their viewpoint.
2. *Define workload and define capabilities.* In order for ED to build an effective inbound customer service center, it must accurately define the workload. ED must develop an actionable understanding of its incoming call attributes, e.g., who calls, what they call about, and when they call. ED must also develop an understanding of its current capabilities, e.g., average call time, after call work, and resolution rates. Based upon this information, ED will understand its areas of improvement and training needs, and ED will understand how the caller and call event segments are best distributed and handled.
3. *Customer segmentation.* Given ED's breadth of customers and the diversity of their needs, ED should strongly consider segmenting customer service to serve them better, e.g., segmenting customer service by customer. ED's customers will want to interact with an organization that is responsive and that is familiar with their unique needs.
4. *Multiple points of contact vs. single 1-800 number.* A single 1-800 number has the benefit of offering all customer segments access to a broad range of services. This benefit is achieved, however, at the cost of creating additional screens and call routing inbetween ED and its customers. To provide the same level of benefits but without imposing the costs on ED's customers, ED should establish separate 1-800 numbers for different customer segments. To ED's customers, it appears that ED is providing them with full access to its services with a single 1-800 number. The separate 1-800 numbers should be established after a thorough analysis of ED's customers and their needs.
5. *Improving performance measurement.* ED should find better ways to measure its performance in order to improve the skills of CSRs and to measure customer satisfaction. One such way would be to improve customer feedback mechanisms so that ED could determine how customers view its operations.
6. *Automating services.* ED should automate services where possible while ensuring satisfactory levels of service, e.g., offering IVR functionality with a simple and responsive menu. This would result in a greater number of customers using this less expensive medium. ED would also be able to provide callers access to the system 24 hours a day, 7 days a week.

4.2 Enabling Technology

Call centers facilitate the movement of voice and data between the organization and its customers. Technology can play a significant role in enabling this information exchange. For example, technology can allow a call center to retrieve a customer profile, service history, and likely service request based entirely upon an incoming phone number. The call then can be routed to the most appropriate CSR who has the skills or the relationship to field the call. The CSR, supported with a customer profile and service history, will be able to better handle the customer's inquiry and receive feedback on previous problems. This personal level of service strengthens the relationship between the customer and the organization and is made possible through the applied use of technology.

Technology can also be a significant enabler for customer self-service as well. In many situations, technology enables the customer to access relevant organization information, e.g., flight arrival times, or conduct transactions, e.g., shift money between accounts, all without live assistance. If the self-service options are easy to understand and responsive, the organization will be able to support more customers without increasing staff. This self-service capability is significant because, traditionally, over 60% of a call center's operating costs are associated with human resources. The cost of a customer utilizing self-service is 5% to 20% of the cost of the customer speaking with a CSR.

Overall, ED must evaluate how the technology will affect the call center's effectiveness and efficiency, i.e., its ability to meet its business objectives at the least cost. ED should consider the following factors when selecting and deploying technology to support its customer service processes.

1. *Multiple access channels.* Most modern organizations do not refer to their call centers as "call centers". They are called "customer contact centers" to recognize the fact that customers should have many channels of communication when interacting with the organization. ED should consider implementing a customer contact center that is a multimedia contact center, i.e., the center should be able to interact with its customers via the phone, internet, fax, and IVR. In addition, the technologies ED employs should be web-enabled, particularly when providing service to its more technologically aware customers, such as students.
2. *Widely available self-service.* ED should consider partnering with other organizations to provide certain forms of self-service to individuals without Web or Internet access. For example, ED and its partners could provide kiosks at libraries or schools that could answer basic questions, accept applications, and print out information.
3. *Sophisticated levels of self-service.* In addition to offering Web access to current frequently asked questions (FAQ), ED should consider offering an interactive, intelligent database for self-service similar to the "wizards" in many applications today. The database should allow users to enter freeform questions and, based upon certain key words, receive appropriate responses. Determine the strategy of the call center.
4. *Integrate customer service databases with the operational databases.* By integrating customer service databases and operational financial aid delivery system databases, CSRs can access the most current customer information and can also ensure that updates made to customer service data are propagated back to operational systems. Feeding decision support systems with customer service data can support performance measurement and assist with trend analysis.

4.3 Supporting Organization

The structure of any organization determines how members of the organization interface with one another as teams and within those teams. Call center organizational structure should be designed to support the call center's processes most effectively. Thus, most call center organizations are grouped according to process, such as customer service or sales. Best practice organizations are consolidating their call centers operations into a few sites, and integrating their functional departments and information systems. The key benefits of consolidated call centers are cost savings due to economies of scale and reduced caller wait times because calls can be more efficiently routed to available CSRs.

In addition, call centers should be designed as an integrated component of the organization. Call centers serve to facilitate the exchange of information between the organization and its customers. Therefore, they should be able to access organizational information of interest to the customer and should be positioned such that the organization can take advantage of feedback from customers.

ED should consider the following factors when establishing the structure of its customer service organization.

1. *Multiple locations.* ED should have multiple call centers throughout different time zones to increase its availability of live assistance. Having multiple locations also aids disaster recovery capability.
2. *Different CSR teams.* ED should have their CSRs set up in a tiering fashion. There should be a tier of generalists who can field a majority of requests, perhaps further grouped by customer segment. There should also be a tier of specialists who are current on complex topics. By tiering the CSRs into groups providing different levels of service, ED can better serve its callers by focusing its limited training resources on the CSRs who are likely to need it.
3. *Partnering with other institutions.* At times, ED's call centers may not be able to resolve a call on the first attempt. These calls are generally escalated to the next tier. However, there are instances where the answers lie within other organizations, e.g., schools, states, lenders, and guarantors. Thus, ED must form relationships with these organizations if it is to provide resolutions to its customers. These relationships can be established through communications systems, such that ED's CSRs are able to transfer callers and their relevant information to another organization's CSRs for service, i.e., a "warm" transfer. An improvement to transferring the caller to another organization, however, is to have that organization's data available to ED. This is accomplished by providing CSRs from different organizations access to each other's customer databases, making it possible to transfer customer information back and forth in real-time. With these relationships in place, customers are more likely to have their calls resolved on the first attempt.
4. *Provide a systematic quality assurance function.* Whether performed by supervisors or by a quality assurance group, ED needs to sample calls systematically to adjust training and operations based upon the trends in customer needs.
5. *Outsourcing service expectations.* If outsourcing, ED should determine whether or not the CSRs appointed to its customers will provide dedicated service or share their time with other organizations.

4.4 Empowered People

The success of ED's call center correlates directly with the people who work there, because people are the "heart and soul" of a successful call center. Without the right people, all the planning, technology, and collected knowledge resources will go to waste.

ED should consider the following factors when hiring, training, and managing call center staff.

1. *Hire CSRs with the right personality for the call center culture.* Often, calls coming into ED's call centers are from anxious, underinformed customers. The CSR must be empathetic towards the customer and able to separate the issue from the person in order to resolve the situation. ED should hire individuals who receive satisfaction from helping others and look forward to the next call. Knowledge of ED's programs and systems can be gained through training.
2. *Provide CSRs with an environment that will retain their services.* ED needs a core of expert CSRs to handle the technical specialty calls. These CSRs would generally be considered tier 3. CSRs are more likely to stay with ED long enough to obtain this level of experience if they have an attractive career path and receive recognition for the business value they deliver.
3. *Caring leadership.* Managers who genuinely care about and support their staff usually have staff who genuinely care about the business and support the objectives of the business. ED should employ managers who are passionate about customer service.
4. *Calls sampling to improve CSR performance.* ED should ensure that call sampling is used to provide CSRs with frequent, regular feedback on their performance. Feedback should be focused on recognizing superior service, identifying training needs, and improving performance.
5. *Provide incentives.* Morale in the workplace tends to increase when hard work is recognized. ED should motivate their CSRs by providing incentives. Incentives can be monetary in nature, but more often they are not. Examples include prizes, recognition awards, parties, etc.
6. *Orientation.* Every member of ED's customer service staff should receive training in ED's mission and guiding principles before working with customers. The training sessions should be led by senior management who underscore ED's commitment to satisfying its customers.

APPENDIX A – ACRONYMS

The acronyms used in this document and their definitions are listed below.

ACD	Automated Call Distributor
ANI	Automatic Number Identification
AT&T	American Telephone & Telegraph
CO	Colorado
Co	Company
COTR	Contracting Officer's Technical Representative
CSR	Customer Service Representative
CTI	Computer Telephony Integration
DCS	Debt Collection Service
EASI	Easy Access for Students and Institutions
ED	United States Department of Education
E-mail	Electronic mail
FAFSA	Free Application for Federal Student Aid
FAQ	Frequently Asked Questions
Fax	Facsimile
FSAIC	Federal Student Aid Information Center
GE	General Electric
HR	Human Resources
HTML	Hyper Text Markup Language
iA	InteractiveAnswers
IL	Illinois
IVR	Interactive Voice Response
IVRU	Interactive Voice Response Unit
JASS	Job Applicant Screening System
KY	Kentucky
NC	North Carolina
NCS	National Computer Systems
OMB	Office of Management and Budget
PBX	Private Branch Exchange
PIC	Public Inquiry Contractor
OH	Ohio
OPE	Office of Postsecondary Education
PC	Personal Computer
PwC	PricewaterhouseCoopers
QA	Quality Assurance
RATER	Reliability Assurance Tangibles Empathy Responsiveness
SFA	Student Financial Assistance
SFAP	Student Financial Assistance Programs
SPOC	Single Point Of Contact
US	United States of America
USAA	United Servicemen Automobile Association

APPENDIX B – INTERVIEW SCRIPTS

The generalized interview scripts listed below were used to conduct the best practices interviews.

1. *General.* The goal was to learn about call center best practices in general.
2. *ED.* The goal was to learn about current ED call center practices, ED's future needs, and to get feedback on the interviews used for this best practices study.

Items in brackets, e.g., [], detail how the answer to the question was intended to be used.

General

Overview

1. What role do best practices call centers play overall in their organization's customer service?

[How do organizations view call centers with respect to customer service]

Process

2. What are the major services that best practices call centers typically perform? How are they performed?

[What are the processes, how are they performed]

3. How is customer service effectiveness normally determined? What are the performance measures frequently used?

[How is performance measured]

4. What are the key activities that lead to effective customer service?

[Critical success factors, lessons learned]

Organization

5. How are best practices call centers normally structured organizationally? In cases where there are multiple call centers, how do they work together?

[How is the organization structured, if there are multiple centers, how are their roles defined]

6. How do best practices call centers partner with other organizations to provide service to mutual clients?

[How is customer service provided when the accountability for service is not clear to the customer]

7. What are the key criteria when determining the organization *of a call center?*

[Critical success factors, lessons learned]

People

8. Can you describe, on average, the first six months of a customer service representative's (CSR's) career, including the hiring process, in best practices call centers?

[How does the organization bring staff into its culture, what does the organization value in people]

9. How do best practices call centers evaluate and improve CSR performance?

[How is performance measured]

10. What are the key characteristics to having an effective staff? How important relative to each other are hiring, training, and experience?

[Critical success factors, lessons learned]

Technology

11. How does the use of technology benefit call center operations?

[What role does technology play in the organization]

12. How do best practices call centers justify expenditures on technology?

[How is performance measured, how are investments made]

13. What are the key factors to consider when deciding to employ new technology?

[Critical success factors, lessons learned]

Advice

14. If another organization were to establish an integrated call center that serviced a wide range of requests from multiple customer segments, what advice would you provide for them?

[Advice for ED]

ED

1. *Can you give me a sense of how call center operations are handled currently (the "as-is" world.) Can you describe ED's call center customers, purpose, services offered, size, structure, staff skills, and technology deployed.*

[Description of current call center operations and strategic purpose]

2. *What would you like to improve in the current "as-is" world of customers call centers? Where do you anticipate future needs?*

[What are areas of improvement, what are areas of interest]

3. *Also, the following is the proposed interview script that I plan to use for the interviews. Please review to see if this script is suitable and complete.*

[Validation of interview script, focus of best practices document]

APPENDIX D – SAMPLE BEST PRACTICES CALL CENTER GUIDELINES

I. Culture

A. Job standards for front-line workers and managers reflect a commitment to delighting the customer. Job standards are tied to key customer satisfiers and clearly communicate the extent to which front-line workers are empowered to serve customers.

B. Customer requirements are clearly defined and reinforced by the organization's stated mission, vision, and values. These are understood and practiced at all levels of the organization and used to drive continual cross-functional process improvements.

C. Every organization member receives orientation training in the organization's mission, vision, and guiding principles before they start to work. Members of the senior executive leadership team personally conduct or participate in all sessions.

D. Front-line workers meaningfully participate in the strategic planning process. Their insights are key to helping the organization focus on its internal and external customers.

E. Senior managers regularly listen in on live calls in order to stay in touch with the customer and pulse the effectiveness of their call center operations.

F. In world class organizations, all managers treat their front-line employees just like their customers; with courtesy, respect, and responsiveness.

G. Front-line worker satisfaction is measured as routinely as customer satisfaction. Comprehensive annual surveys are compared to specifically targeted weekly and monthly surveys to ensure continuous improvement.

II. Communications

A. Customers are surveyed to determine satisfaction levels for existing services and requests for new services. Surveys are used to measure system accessibility, front-line professionalism, and overall satisfaction with the way their calls are handled.

B. Customer focus groups are used to determine the needs of specific customer groups and how well those needs are being met.

C. Front-line workers have on-line capability to elevate issues to senior management and can expect to receive a direct response from management within 24 hours.

D. On-line suggestion systems facilitate the submission of ideas. Suggestors are notified within 24 hours as to who is evaluating their ideas and receive weekly feedback as to the status of their area.

E. In world class operations, nearly all suggestions are completely processed within 72 hours. World-class call centers typically implement over five suggestions per employee per year.

F. The organization's emphasis on maintaining a quality culture is demonstrated constantly through various communication mediums that reach the entire workforce. These communication formats include newsletters, visual displays, electronic mail and meetings.

G. Effective leaders maintain multiple 'listening posts' and share satisfaction trend databases on customer feedback for both customer groups (internal and external) with all workers on a monthly basis.

III. Organization

A. Plans cascade from the stated mission and vision to teams and individual workers, fostering alignment and integration of plans within the organization.
B. Decision making authority needed to satisfy customers is delegated to the front-line employees, who are organized into teams.
C. A dedicated customer relations team receives and handles complex customer issues and complaints, policy related issues, and unusual customer requests or special needs that cannot be readily resolved by front-line workers.
D. World class organizations have moved away from using separate, formal quality control groups for service observations. Team leaders perform the call monitoring function.
E. World-class organizations are flat, with typically no more than three management layers separating the front-line worker from the chief executive officer.
F. Industry standards average 20-24 front-line workers per team leader.
G. Team leaders function as coaches, not cops. Supervisors have few administrative duties. Their main function is to train, coach, and support front-line workers.

IV. Human resource management

A. Attrition rates of 3-7 percent for front-line positions are common among world class organizations and are the result of high job satisfaction levels.
B. The selection process for new hires is rigorous, averaging 6-8 weeks.
C. Managers encourage front-line workers to identify career growth opportunities and allow them to periodically shadow the incumbents for a day, in those jobs they might like to work in the future.
D. Multiple screening methods are used including written tests, panel and telephone interviews, and role-playing.
E. Front-line workers are active participants in the hiring process, including conducting interviews, screening applicants, instructing, coaching, and mentoring new front-line workers.
F. Job rotation for front-line workers is planned to occur between 24-36 months on the job to avoid ‘burnout’ and to foster job growth.
G. Initial training is aligned with key customer satisfiers and empowers the worker to satisfy and even delight the customer. Front-line workers are trained to recognize and adapt to different caller personality types.
H. Both initial and ongoing training is provided on a just in time basis to ensure the front-line worker receives the most current training possible.
I. A dedicated training group is an integral part of a successful call center operation. Technical training programs are delivered by experienced subject matter experts to ensure the skill and knowledge transfer of information is current and relevant.
J. A portion of pay for the front-line, support staff, and management team is tied to meeting specific call center performance targets for quality and customer satisfaction.
K. Front-line workers receive immediate feedback on ways to improve their call-handling skills and immediate recognition if superior service has been provided to the caller.
L. Team leaders typically monitor 5-10 calls per front-line worker per month. Both silent/remote and side-

by-side monitoring are used.

M. Service observations are used to help determine individual training needs on an ongoing basis. Training effectiveness is verified through self-assessments, service observations, one-on-one coaching, and team interactions.

N. Front-line workers receive written monthly summaries documenting individual performance levels and trends.

O. Front-line workers are not only recognized for achieving productivity goals, but for delighting customers as well. The most prestigious awards are given for providing exceptional service to customers.

P. Front-line workers evaluate their team leaders and upper management relative to such leadership characteristics as accessibility, responsiveness, problem solving ability, and respect for others.

Q. Front-line workers are expected to take whatever time is necessary to resolve a customer's issues. Individual call handling time is not used for assessment of performance.

V. Workforce Management

A. The workforce is augmented with part-time workers to ensure adequate, cost-efficient coverage during peak customer calling periods.

B. Attrition is factored into the planning cycle for long-term forecasting so that just-in-time recruitment occurs.

C. Shifts are determined by the scheduling system.

D. Workload is forecasted 12-18 months into the future and adjusted quarterly, monthly, weekly.

E. Front-line workers are recruited, screened, hired, and trained to provide just-in-time resources to address anticipated vacancies and changing customer needs.

F. Effective call center operations conduct integrated resource planning and call center management across all sites. Increased flexibility, redundancy, and call handling capability are benefits of this approach as compared to planning on an individual basis.

G. Training is scheduled around the forecasted demand.

H. Live customer service is available 24 hours per day.

I. Trunking and resources are sized to allow a limited queue of 15-20 seconds and virtually no busy signals.

J. Workload is adjusted between multiple call centers to balance demand with available resources.

K. A central control function is responsible for making any needed adjustments to call routings.

L. Information, such as new product development, problem resolution and prevention efforts, customer market segmentation, press releases or media campaign plans and historical statistics on the types of calls answered are key to effective capacity planning.

M. Training hours are allotted for every front-line worker (ranging from 90-150 hours) and are factored into the forecasting and scheduling process, at least one year in advance.

N. Forecasting accuracy is tracked weekly and monthly. Best practice organizations typically achieve forecasting accuracy of + or – 2 percent.

VI. Information systems/technologies

A. Send and receive fax servers allow front-line workers to transact with the customer in real time.

B. Imaging systems allow front-line workers to access information quickly, even though it may be a document that was received in paper form, such as an incoming letter from a customer or an archived transaction history.

C. Graphical user interfaces are used to reduce front-line workers training requirements, application time, and keystrokes as compared to non-graphical interfaces.

D. Call centers use on-line computer information systems to enable front-line workers to answer customer inquiries quickly and effectively. Desktop information services include databases to retrieve information and on-line procedures manuals.

E. On-line procedures manuals are often built into the database applications using a ‘help screen’ format or a sequence of prompts which walks the front-line worker through each step in the call answering process.

F. Effective workstation configurations identify the probable incoming caller, by automatically linking the caller’s phone number and account history, and instantly placing this information on the front-line worker’s computer screen.

G. The key information management standards are: accurate and timely access to information for front-line workers and their customers; information system reliability (>99.9%); timeliness of database update (<24 hours) and ease of use of workstations.

H. Call avoidance strategies include the use of on-demand fax or information systems, which allow customers to electronically retrieve certain documents and information quickly, 24 hours a day, and without talking to a front-line worker.

I. Voice response units provide a limited menu of value-added services.

J. All callers are offered a choice of automated or live customer service.

K. Companies screen incoming calls by prompting callers to choose from a limited number of options and calls are directed accordingly.

L. Incoming calls are automatically gated to appropriately skilled front-line workers by linking the forecasting/scheduling and caller history databases.

M. Callers waiting in queue are provided information as to the expected length of the delay, allowing them to choose whether to stay in queue or hang up.

N. Internal call transfers between front-line workers are rarely made because they are empowered to take the actions necessary to satisfy customers’ issues.

O. When it is necessary to hand a call off to another front-line worker, it is done by direct, seamless transfer. The transferring agent introduces the caller and shares all known information so that the customer does not have to repeat the information.

P. Transferred callers are never gated to a second queue.

APPENDIX E – BIBLIOGRAPHY

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